



SURFACE TRANSPORTATION BOARD

Office of Economics, Environmental Analysis, and Administration

April 15, 2005

Re: STB Finance Docket No. 33407 – Dakota, Minnesota & Eastern Railroad Corporation Construction into the Powder River Basin: **Release of Draft Supplemental Environmental Impact Statement**

Dear Reader:

The Surface Transportation Board's Section of Environmental Analysis (SEA) is pleased to provide you with the enclosed Draft Supplemental Environmental Impact Statement (Draft SEIS) on the Powder River Basin Expansion Project (PRB Expansion Project) proposed by the Dakota, Minnesota & Eastern Railroad (DM&E). The Draft SEIS was prepared in cooperation with five Federal agencies: the U.S. Department of Agriculture, Forest Service; the U.S. Department of Interior, Bureau of Land Management; the U.S. Army Corps of Engineers; the U.S. Department of Interior, Bureau of Reclamation; and the U.S. Coast Guard.

After the Board gave final approval to the PRB Expansion Project in 2002, various parties sought judicial review. This Draft SEIS reflects SEA's independent analysis of the four issues remanded by the 8th Circuit Court of Appeals in Mid States Coalition for Progress v. STB, 345 F.3d 520 (8th Cir. 2003). While the court upheld the Board with respect to all of the transportation issues and most of the environmental issues, it remanded this rail line construction case for further Board review of the environmental impacts of:

- increased horn noise,
- the relationship between vibration and horn noise, and
- potential increased coal consumption in the region to be served by DM&E.

The court also found that the Programmatic Agreement setting forth the Board's approach to the historic review required by the National Historic Preservation Act should have been executed prior to the time the Board granted a license to DM&E in this case.

Availability of the Draft Supplemental Environmental Impact Statement

The Draft SEIS has been mailed to key reviewing agencies, Tribes, Governors, elected officials, parties of record, and other interested citizens. It is also available for review in the reference section of over 80 public libraries, which are listed in Appendix G. The entire document is also available on the Board's website (<http://www.stb.dot.gov>), under "Decisions & Notices," and listed as "Environmental Review" by Service Date (April 15, 2005), Docket Number (FD 33407), Docket Prefix (FD) or Decision ID No. 35730.

Public Review and Comment of the Draft Supplemental Environmental Impact Statement

The Environmental Protection Agency will publish a notice in the Federal Register announcing the availability of the Draft SEIS. This notice starts the clock running on the public comment period. The notice should appear on April 22, 2005. The public then has 45 days to provide comments on the Draft SEIS. All comments must be postmarked no later than June 6, 2005.

We encourage any person or group wishing to comment on this Draft SEIS to do so. Please be aware that this Supplemental EIS addresses only those issues remanded to the Board by the court. The record is closed on all other issues discussed earlier in this proceeding in the EIS or the Board decisions issued in 1998 and 2002. Accordingly, SEA will consider only comments on the issues addressed in the Draft SEIS (the four issues remanded by the court). Please mail written comments on the Draft SEIS to the address below. For comments exceeding five pages in length, please mail a signed original plus 10 copies. For comments five pages or less, a signed original is sufficient. Comments must be mailed by June 6, 2005 to:

Case Control Unit
Finance Docket No. 33407
Surface Transportation Board
1925 K Street, NW
Washington, D.C. 20423-0001

Please write the following in the lower left hand corner of the envelope:


Attention: Victoria Rutson
Section of Environmental Analysis

SEA will consider timely and relevant comments in preparing a Final SEIS, which will include SEA's final conclusions on the four remanded issues and any additional mitigation that SEA might recommend. The Board will then make its final decision regarding this project and any environmental conditions it might impose.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-5964 (voice and TDD).

SEA appreciates the efforts of all interested parties in reviewing and commenting on this Draft SEIS. Thank you for your interest and participation in the environmental review process.

Sincerely,



Victoria Rutson
Chief
Section of Environmental Analysis